

Message Text

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22

ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 /092 W

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R 231623Z JAN 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 7126

INFO AMEMBASSY LONDON

AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

C O N F I D E N T I A L PARIS 02220

E.O. 11652: GDS

TAGS: ENRG FR EC

SUBJECT: THE GOF AND THE OIL FLOOR PRICE

1. IN FIGARO ARTICLE DATED JAN. 21, ECONOMIC EDITOR ALAIN VERNAY WROTE THAT GOF NOW FINDS OIL FLOOR PRICE PROPOSAL "NOT SO UNREASONABLE" AND THAT, IN PRESENT CIRCUMSTANCES OF DIALOGUE WITH OPEC AND LDCE, FRANCE MIGHT ACCEPT EC COMMISSION'S ENERGY PROPOSALS (INCLUDING 6 TO 8 DOLLAR MSP) PROVIDED, INTER ALIA, THAT HMG ENGAGE TO ALLOW EC PARTNERS FREE COMMERCIAL ACCESS TO NORTH SEA OIL.

2. COMMENT: VERNAY'S STORY IS ATTRIBUTED TO THE PRESIDENCY, AND WE SEE NO REASON TO DOUBT THAT IT BASED ON CONVERSATION WITH AN ELYSEE STAFFER. WHILE THIS MAY WELL REPRESENT EFFORT BY ELYSEE TO PREPARE PUBLIC FOR EVENTUAL ACCEPTANCE OF MSP, WE BELIEVE THAT MAJOR GOF BARRIERS TO ACCEPTANCE OF MSP HAVE SO FAR
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BEEN SELF-CREATED (RESISTANCE TO AMERICAN AND IEA

PARENTAGE OF IDEA, FEAR OF SULLYING FRANCE'S IMAGE
WITH LDCS, ETC) RATHER THAN FORCED ON GOF BY DOMESTIC
POLITICAL PRESSURES. GISCARD APPEARS TO HAVE RECOG-
NIZED THIS IN ACCEPTING AT ROME--HOWEVER FUZZY THE
ACTUAL AGREED TERMINOLOGY MAY BE--TO CONSIDER MSP
FAVORABLY AS PART OF A GENERAL EC ENERGY PACKAGE.
EVEN DIE-HARDERS AT THE QUAI D'ORSAY NOW SEEM TO ACCEPT
THAT THEY ARE FIGHTING A REAR-GUARD ACTION ON THE MSP.
WE DOUBT, HOWEVER, IF THE GOF WILL BE PREPARED TO SELL
ITS EVENTUAL ACCEPTANCE OF AN MSP PROVISION IN EC
POLICY CHEAPLY, AND THE MAJOR TRADEOFFS THEY WILL SEEK
WILL BE HMG'S ACCEPTANCE OF SOME FREEDOM OF ACCESS
PROVISION, PLUS PROBABLY SOME SPECIAL PROTECTION FOR
NUCLEAR POWER PLANT INVESTMENTS.
RUSH

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